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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.21.2010

Wall Street Journal: "Proposal Set to Curb Bank Giants ... President Barack Obama on Thursday is expected to propose new limits on the size and risk taken by the country's biggest banks, marking the administration's latest assault on Wall Street in what could mark a return, at least in spirit, to some of the curbs on finance put in place during the Great Depression, according to congressional sources and administration officials."

Wall Street Journal: "Loan Troubles Bedevil Banks ... The loan troubles of many U.S. consumers weighed down fourth-quarter results at Bank of America Corp., Wells Fargo & Co. and U.S. Bancorp, but bank executives predicted loan losses are near a peak."

Wall Street Journal: "At SEC, the system can be deaf to whistleblowing ... Eric Kolchinsky was an executive at Moody's, the credit rating company, when he called a top official at the Securities and Exchange Commission in September to warn that his firm might be violating securities law."

Wall Street Journal: "Obama to propose new limits on large banks' size and investments, official says ... President Obama plans to propose new limits Thursday on the size and investments of large banks, a senior administration official said, as the White House intensifies its push to reframe its financial reform agenda as an effort to rein in the companies widely blamed for causing the economic crisis."

Wall Street Journal: "Cautious about the economy, big banks report slow lending ... Two of the nation's largest banks said Wednesday that loan losses generally have stopped increasing but that relatively few customers are seeking new loans, reports that are in broad agreement with other indicators showing that the economy remains weak."

NY Times: "Obama to Propose Limits on Risks Taken by Banks ... President Obama on Thursday will publicly propose giving bank regulators the power to limit the size of the nation's largest banks and the scope of their risk-taking activities, an administration official said late Wednesday."

NY Times: "Banks See a Leveling Off in Bad Consumer Loans ... Since the financial crisis hit, banks have chipped away at the mountain of mortgages and credit card debt looming over struggling Americans. At last, those efforts appear to be paying off, at least for the banks."

NY Times: "Fed Chief in New York Defends Main Office ... The president of the Federal Reserve Bank of New York warned Wednesday against auditing the Federal Reserve's interest-rate decisions and curbing its regulatory powers, as some in Congress have urged."

LA Times: "Bailout tax short on penalties, deterrents ... In almost every criminal case -- at least the ones that get ripped from the headlines and end up on "Law & Order" -- there's a point when the D.A. offers a plea bargain."

LA Times: "World financial markets shudder as China starts to put brakes on its fast-growing economy ... China, the primary engine leading the global economy out of recession, is starting to put the brakes on its fast-growing economy -- and the rest of the world is watching closely."

LA Times: "Bank of America, Wells Fargo results bolstered by mortgage operations ... Some banks are finding ways to make money from mortgages despite the continuing difficulties many homeowners are having in making their home

payments."

USA Today: "Banking system stronger, but far from recovered ... Cattaraugus County Bank doesn't exactly cruise in the fast lane of global finance. Two of its branches have hitching posts where Amish customers can tie up horse-drawn buggies."

USA Today: "Impact of tighter FHA mortgage rules on home loans debated ... Tighter lending requirements for loans insured by the Federal Housing Administration may leave some borrowers unable to get mortgages, but economists are divided on the impact they could have on housing's recovery."

USA Today: "AP: Obama seeks limits on bank size and risk ... President Obama, eager to harness and redirect voter anger over bank bailouts, is ramping up his war on Wall Street."

USA Today: "Treasury says it got bailed-out banks to pay more ... The Obama administration said Wednesday it's increased the investment return to taxpayers by pushing banks to pay higher prices to repurchase stock warrants given to the government during the financial crisis."

Washington Times: "Hearing urged on bailout for Fannie, Freddie ... Six Republican senators are demanding a hearing by the Senate banking committee on the Treasury's little-noticed move Dec. 24 to remove caps on the amount of taxpayer aid given to Fannie Mae and Freddie Mac in the next three years."

Bloomberg: "AIG Took Four Tries on Filing as Fed Asked to Withhold Data ... American International Group Inc. submitted four rounds of regulatory filings in six months, with more than 1,000 redactions, as the Federal Reserve Bank of New York pressed the insurer to withhold data about bailout payments to banks."

Bloomberg: "Congress Curbs on Fed Undermining U.S. Economy in Global Poll ... Investors say Congress would undermine the U.S. economy by clamping down on the Federal Reserve and predict that taxes on bank bonuses would persuade companies to move to friendlier jurisdictions."

Bloomberg: "AIG 100-Cents Fed Deal Driven by France Belied by French Banks ... The Federal Reserve Bank of New York paid French banks 100 cents on the dollar to settle trades with American International Group Inc. in November 2008, the same month an AIG competitor negotiated payments of less than a third of that to retire similar bets."

The Hill: "Nation's top banks spent big money on lobbying efforts during financial crisis ... Eight of the nation's largest banks spent nearly \$26 million lobbying federal lawmakers in 2009, during one of the most tumultuous periods in financial history."

The Hill: "Republicans will huddle on reg reform ... Senate Minority Leader Mitch McConnell (R-Ky.) plans to huddle with Banking Committee Republicans Thursday to craft a way forward on financial regulatory reform, two industry sources said."

The Hill: "Republicans blast fiscal commission ... Senate Republicans on Wednesday panned the deal struck by senior

congressional Democrats and the White House for a bipartisan fiscal commission."

Politico: "President Obama to propose new bank curbs ... President Barack Obama is officially jumping on the "big is bad" bandwagon."